

DAILY MARKETS OVERVIEW

27 FEBRUARY 2019

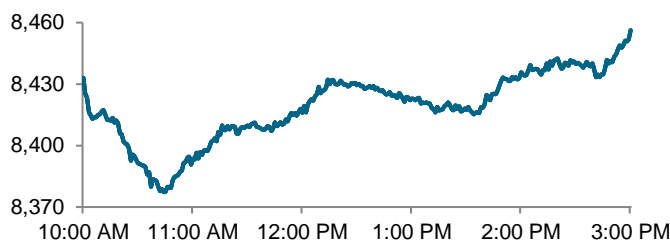
السوق السعودي كابتال

Saudi Fransi Capital

Distinguished Service, Outstanding Performance



TASI Intraday



Source: Reuters

Saudi Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|--------------------------------|------------|---------|-------|-------|----------|
| Saudi (TASI) | 8,456 | 0.3 | -1.1 | 8.0 | 18.4 |
| Saudi (NOMU) | 3,514 | 0.8 | 2.2 | 39.4 | 10.1 |
| Energy | 4,546 | 0.5 | -0.5 | -6.3 | 24.8 |
| Materials | 5,602 | 0.6 | -0.9 | 6.7 | 17.9 |
| Capital Goods | 3,878 | 0.1 | -0.7 | -0.6 | 22.3 |
| Com. & Prof. Svc | 4,295 | -0.4 | 0.3 | 3.8 | 18.3 |
| Transportation | 3,612 | 0.7 | 0.0 | 3.9 | 19.7 |
| Cons. Durables & Apparel | 3,647 | -0.1 | -0.4 | -0.5 | NA |
| Consumer Services | 3,185 | 0.0 | -1.3 | 8.1 | NA |
| Media | 10,287 | 0.3 | 0.1 | 1.1 | NA |
| Retailing | 6,581 | -0.4 | -0.4 | -4.1 | 31.9 |
| Food & Staples Retailing | 5,627 | 0.8 | -0.6 | -5.3 | 22.9 |
| Food & Beverages | 4,388 | 0.0 | -0.7 | 12.9 | NA |
| Health Care Equipment | 3,754 | -0.7 | -0.3 | -0.1 | 20.9 |
| Pharma, Biotech & Life Science | 3,542 | -0.9 | -3.6 | -8.7 | 24.7 |
| Banks | 8,071 | 0.1 | -1.7 | 11.9 | 14.0 |
| Diversified Financials | 3,599 | 0.5 | -0.6 | 3.5 | NA |
| Insurance | 4,244 | 0.3 | -0.4 | 1.6 | NA |
| Telecommunication | 5,928 | 1.3 | 0.2 | 9.7 | 18.4 |
| Utilities | 3,677 | 0.2 | -0.8 | 9.1 | 36.8 |
| REITs | 3,611 | -0.2 | -0.3 | -0.3 | NA |
| Real Estate | 3,308 | -0.1 | 0.0 | 2.6 | 38.5 |

Sources: Bloomberg, Reuters, Tadawul

Top 5 Gainers

| Company | Last Close | % Change | Value (SAR mn) |
|--|------------|----------|----------------|
| Al-Baha Investment & Development Co. | 22.00 | 9.3% | 34 |
| Anaam International Holding Group Co. | 12.66 | 3.8% | 9 |
| Zamil Industrial Investment Co. | 18.02 | 3.4% | 1 |
| Al-Rajhi Co. for Cooperative Insurance | 72.00 | 2.9% | 24 |
| Abdullah A. M. Al-Khodari Sons Co. | 4.53 | 2.0% | 45 |

Source: Tadawul

Latest Earnings

| Company | Date | Period | Q NI (SAR mn) | Y/Y % | Q EPS (SAR) | Vs. Consensus |
|-------------------------------|--------|--------|---------------|--------|-------------|---------------|
| Dallah Healthcare | 26-Feb | 4Q18 | 32.5 | -48.5 | 0.55 | MISS |
| Umm Al-Qura Cement Company | 26-Feb | 4Q18 | 3.7 | -89.5 | 0.07 | NA |
| United Wire Factories Company | 26-Feb | 4Q18 | -8.4 | -183.1 | -0.19 | NA |
| Saudi Cement | 25-Feb | 4Q18 | 124.8 | 16.2 | 0.82 | BEAT |
| Saudi Vitrified Clay Pipes Co | 25-Feb | 4Q18 | 0.1 | 135.5 | 0.01 | NA |

Source: Tadawul

NOTES: (1) Prices as of last trade. Updated as of February 27, 2019

(2) WTD: Week to Date and YTD: Year to Date

Saudi Market Update

- TASI closed 0.3% higher at 8,456, while NOMU ended 0.8% higher at 3,514 on Tuesday. TASI traded value totaled SAR 1.7bn and averaged SAR 2.6bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 32% of the daily traded value.
- Banks and Materials gained 0.1% and 0.6%, respectively. Telecom (up 1.3%) was the best sector performer. Among stocks, Al-Baha Investment & Development Co. (4130/ABDICO AB), Anaam International Holding Group Co. (4061/ANAAM AB), and Zamil Industrial Investment Co. (2240/ZIIC AB) led the gainers.
- The Public Transport Authority revealed KSA issued transaction advisory services tender for two railway projects. The authority plans to use the public-private partnership (PPP) route for both projects. (Source: Argam)
- The Minister of Communications and Information Technology stated KSA's plans to expand high-speed Internet coverage to higher than 10 megabytes per second (Mbps) cross rural areas and towns by 2022. (Source: Argam)
- Saudi Aramco awarded McDermott International an engineering, procurement, construction, and installation (EPCI) services contract in the offshore Marjan field in KSA. (Source: Argam)
- Saudi Aramco's CEO stated that demand for global oil is expected to substantially increase, driven by the transportation sector. He further called for more investments in the oil and gas sector to meet future growth, adding the oil industry must push back on exaggerated theories, such as the peaking of oil demand. (Source: Argam)
- Saudi Telecom Co. (7010/STC AB) and Nokia (NOKIA FH) signed a deal to deploy a 5G network in the country. Nokia's equipment, software, and services would be used to set up a 5G network first in the western and southern parts of KSA, including Makkah and Madinah. (Source: Argam)
- Al Yamamah Steel Industries Co. (1304/YAMAMAH AB) inked an SAR 44.1mn (USD 11.8mn) agreement to supply electric towers to Saudi Services for Electro Mechanic Works Company. Delivery would take place over 10 months as of June 2019. (Source: Argam)
- National Petrochemical Co. (2002/PETROCH AB) BoD recommended a cash dividend of SAR 0.5 per share for FY18, implying a full-year yield of 1.8%. (Source: Argam)

Top 5 Losers

| Company | Last Close | % Change | Value (SAR mn) |
|-------------------------------|------------|----------|----------------|
| Dallah Healthcare Holding Co. | 66.50 | -1.8% | 18 |
| Banque Saudi Fransi | 36.35 | -1.8% | 10 |
| National Medical Care Co. | 47.65 | -1.8% | 4 |
| MEFIC REIT Fund | 8.65 | -1.6% | 6 |
| Knowledge Economic City | 9.40 | -1.6% | 11 |

Most Active Stocks by Value (SAR mn)

| Company | Last Close | % Change | Value (SAR mn) |
|---|------------|----------|----------------|
| Al Rajhi Bank | 99.90 | 0.7% | 187 |
| Saudi Basic Industries Corp. | 121.80 | 0.8% | 127 |
| Alinma Bank | 24.02 | 0.4% | 94 |
| Dar Alarkan Real Estate Development Co. | 10.60 | -0.6% | 73 |
| Saudi Kayan Petrochemical Co. | 13.64 | 0.2% | 67 |

Source: Tadawul

DAILY MARKETS OVERVIEW

27 FEBRUARY 2019

السوق الفرنسي كابتال

Saudi Fransi Capital

Distinguished Service, Outstanding Performance



GCC Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------|------------|---------|-------|-------|----------|
| Dubai (DFM) | 2,684 | 0.8 | 1.9 | 6.1 | 8.6 |
| Abu Dhabi (ADX) | 5,140 | 0.5 | 0.8 | 4.6 | 14.4 |
| Kuwait (KSE) | 5,251 | 0.0 | 0.0 | 1.3 | 17.5 |
| Qatar (QE) | 10,256 | 0.3 | 0.6 | -0.4 | 14.3 |
| Oman (MSM) | 4,089 | 0.5 | 0.8 | -5.4 | 8.5 |
| Bahrain (BSE) | 1,415 | 0.5 | 0.7 | 5.8 | 9.1 |
| DJMENA Index | 587 | 0.0 | 0.4 | 5.6 | NA |

Source: Bloomberg, Reuters

Global Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------------|------------|---------|-------|-------|----------|
| US (S&P 500) | 2,794 | -0.1 | 0.0 | 11.5 | 18.5 |
| US (NASDAQ 100) | 7,549 | -0.1 | 0.3 | 13.8 | 21.3 |
| UK (FTSE 100) | 7,151 | -0.5 | -0.4 | 6.3 | 15.7 |
| Germany (DAX) | 11,541 | 0.3 | 0.7 | 9.3 | 13.1 |
| France (CAC 40) | 5,239 | 0.1 | 0.4 | 10.7 | 17.6 |
| Russia (MICEX) | 2,494 | 0.0 | 0.2 | 5.3 | 5.3 |
| Japan (Nikkei) | 21,449 | -0.4 | 0.1 | 7.2 | 15.9 |
| Hong Kong (HSI) | 28,772 | -0.6 | -0.2 | 11.3 | 10.9 |
| South Korea (KOSPI) | 2,227 | -0.3 | -0.2 | 9.1 | 10.9 |
| China (SHCOMP) | 2,942 | -0.7 | 4.9 | 17.9 | 14.0 |
| India (NIFTY) | 10,835 | -0.4 | 0.4 | -0.3 | 24.5 |
| Brazil (IBOV) | 97,603 | 0.4 | -0.3 | 11.1 | 20.5 |
| Turkey (BIST 100) | 1,05,082 | 0.7 | 1.8 | 15.1 | 7.2 |
| Egypt (EGX30) | 14,887 | -0.4 | -1.7 | 14.2 | 12.7 |
| MSCI Emerging Markets | 1,065 | -0.3 | 0.6 | 10.3 | 12.9 |
| MSCI World | 2,092 | 0.0 | 0.2 | 11.0 | 17.1 |

Source: Bloomberg, Reuters

Commodities Prices

| Index | Last Close | 1 Day % | WTD % | YTD % | 1 Year % |
|------------------------|------------|---------|-------|-------|----------|
| Brent Crude (\$/bbl) | 65.2 | 0.7 | -2.8 | 21.2 | -3.4 |
| Natural Gas (\$/mmbtu) | 2.8 | -1.4 | 2.9 | -4.9 | -4.8 |
| Gold (\$/oz) | 1,329 | 0.1 | 0.1 | 3.6 | -0.3 |
| Silver (\$/oz) | 15.9 | 0.2 | 0.1 | 2.8 | -4.4 |
| Platinum (\$/oz) | 862 | 1.0 | 2.2 | 8.3 | -13.8 |
| Copper (\$/t) | 6,522 | 0.0 | 0.0 | 9.6 | -7.9 |
| Zinc (\$/t) | 2,765 | 1.0 | 0.8 | 9.8 | -22.6 |
| Lead (\$/mt) | 2,063 | -0.5 | 0.2 | 2.7 | -20.6 |
| Wheat (\$/bu) | 468 | -1.0 | -4.8 | -7.0 | -14.4 |
| Corn (\$/bu) | 376 | -1.1 | -2.2 | 0.3 | -8.5 |
| Sugar (\$/lb) | 12.9 | -1.2 | -3.4 | 6.8 | -12.3 |

Source: Bloomberg

Interest Rate Watch (3M Interbank Offer Rate, %)

| Country | Last Close | 1 Day Change | YTD Change | Spread* |
|--------------|------------|--------------|------------|---------|
| US | 2.64 | 0.00 | -0.17 | 0.00 |
| Saudi Arabia | 2.92 | 0.00 | -0.06 | 0.28 |
| UAE | 2.87 | -0.04 | 0.03 | 0.23 |
| Kuwait | 2.63 | 0.00 | 0.31 | -0.01 |
| Qatar | 2.89 | 0.00 | -0.01 | 0.25 |
| Bahrain | 3.90 | 0.00 | -0.05 | 1.26 |

Source: Reuters

NOTES: (1) Prices updated as of February 27, 2019 (2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, *Spread = US 3M Rate – Country 3M Rate

GCC & Global Markets Update

- US markets ended mixed on Tuesday. Both S&P 500 and NASDAQ declined 0.1%. Dow Jones Industrial closed 0.1% lower. In Europe, UK declined 0.5%, while Germany and France ended 0.3% and 0.1% higher, respectively.
- Asian markets are trading in the green on Wednesday. China is up 0.8%. Japan and South Korea are up 0.5% and 0.3%, respectively. Hong Kong and India are trading 0.5% and 0.7% higher, respectively.
- GCC markets ended in the green on Tuesday. Dubai and Abu Dhabi gained 0.8% and 0.5%, respectively. Kuwait was closed for trading while Qatar closed 0.3% higher. Both Oman and Bahrain ended 0.5% higher.
- According to the Central Bank of the UAE, in January 2019, loans granted by UAE banks to the private sector were up 4% Y/Y to AED 1.134tn (USD 309bn); public sector loans increased 9% to AED 193bn (USD 52.5bn). (Source: Zawya)
- Abu Dhabi's Mubadala Petroleum revealed the signing of a production sharing contract with partner PTTEP Energy Development Co for an offshore block containing the Erawan gas production field in Thailand. (Source: Zawya)
- A delegation from Saudi Arabia's Saline Water Conversion Corporation (SWCC) met with the Abu Dhabi Department of Energy (DoE) to enhance cooperation and outline joint efforts toward a more sustainable future for the wider region. (Source: Argam)
- Nasdaq Dubai launched futures trading on FTSE Russell's FTSE Saudi Arabia Index, which tracks 46 KSA-listed companies. The futures are designed as investment tools for global and regional investors, including funds that use the index as a benchmark for investing in KSA equities. (Source: Arabian Business)
- Thomas Cook India Group (TC IN) announced the acquisition of 51% stake in Dubai-based Digiphot Entertainment Imaging (DEI) in a deal worth USD 40.6mn (AED 149mn). (Source: Arabian Business)
- Etisalat (ETISALAT UH) and Huawei announced a strategic partnership to deploy an end-to-end 5G network in the UAE in 2019. As part of the agreement, Huawei would offer the latest state-of-the-art network solutions, including 5G wireless, 5G service-oriented core, and 5G ready transport network to facilitate the smooth adoption of 5G technology. (Source: Trade Arabia)
- UAE-based ADNOC signed framework agreements with Korea Gas Corporation (036460 KS), Korea National Oil Corporation, and GS Energy to explore domestic and international growth opportunities. The agreements cover upstream, downstream, and bunkering opportunities for crude oil and liquefied natural gas. (Source: Zawya)
- UAE-based petrochemical company Borouge awarded three contracts to TechnipFMC (FTI US), Maire Tecnimont (MT IM), and WorleyParsons (WOR AU) for the fourth phase of the Ruwais petrochemical complex. (Source: Argam)

Coming Up

- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended February 22 (prior: 3.7mn barrels) will be announced today. (Source: Econoday)
- US jobless claims for the week ended February 23 (prior: 216K) will be announced tomorrow. (Source: Econoday)
- US GDP for 4Q18 (prior: 3.4% Q/Q; consensus: 2.4% Q/Q) will be announced tomorrow. (Source: Econoday)



Contacts

RESEARCH & ADVISORY

Research&Advisory@FransiCapital.com.sa

SAUDI FRANSI CAPITAL

Call Centre

800-125-9999

Website

www.sfc.sa

SAUDI FRANSI CAPITAL (CLOSED JOINT STOCK COMPANY OWNED BY BANQUE SAUDI FRANSI)

Licensed by the Capital Market Authority to conduct all securities business activities. license Number 11153-37

C.R. 1010231217 - Paid Up Capital 500,000,000 S.R.

Head Office: 8092 King Fahd Road - Riyadh 12313-3735 - Kingdom of Saudi Arabia

Mailing Address: P.O. Box 23454 - Riyadh 11426

Tel: +966 11 282 6666 - Fax: +966 11 282 6667

Disclaimer

The information in this report was prepared for the purpose of viewing public information only. This information was gathered in this report from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts, the forecasts, and expectations contained in this report are accurate. Saudi Fransi Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Saudi Fransi Capital is not held responsible that the information in this report is complete or free from any error.

This report is not considered to be construed as, an offer or solicitation of an offer to buy or to sell any financial securities or adapt an investment or trading method. Saudi Fransi Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents.

This report provides information of a general nature and is not intended to provide investment advice and does not take into account the reader's financial situation or any specific investment objectives which the reader may have. Before making any investment decision, the reader should seek an independent advice from his financial advisor due to the investment in such kind of securities may not be suitable for all.